

**Renumbered 5/12/2015**

**63M-1-504 Targeted business income tax credit structure -- Duties of the local zone administrator -- Duties of the State Tax Commission.**

- (1) For taxable years beginning on or after January 1, 2002, a business applicant that is certified under Subsection 63M-1-503(3) and issued a targeted business tax credit eligibility form by the office under Subsection (8) may claim a refundable tax credit:
  - (a) against the business applicant's tax liability under:
    - (i) Title 59, Chapter 7, Corporate Franchise and Income Taxes; or
    - (ii) Title 59, Chapter 10, Individual Income Tax Act; and
  - (b) subject to requirements and limitations provided by this part.
- (2) The total amount of the targeted business income tax credits allowed under this part for all business applicants may not exceed \$300,000 in any fiscal year.
- (3)
  - (a) A targeted business income tax credit allowed under this part for each community investment project provided by a business applicant may not:
    - (i) be claimed by a business applicant for more than seven consecutive taxable years from the date the business applicant first qualifies for a targeted business income tax credit on the basis of a community investment project;
    - (ii) be carried forward or carried back;
    - (iii) exceed \$100,000 in total amount for the community investment project period during which the business applicant is eligible to claim a targeted business income tax credit; or
    - (iv) exceed in any year that the targeted business income tax credit is claimed the lesser of:
      - (A) 50% of the maximum amount allowed by the local zone administrator; or
      - (B) the allocated cap amount determined by the office under Subsection 63M-1-503(5).
  - (b) A business applicant may apply to the local zone administrator to claim a targeted business income tax credit allowed under this part for each community investment project provided by the business applicant as the basis for its eligibility for a targeted business income tax credit.
- (4) Subject to other provisions of this section, the local zone administrator shall establish for each business applicant that qualifies for a targeted business income tax credit:
  - (a) criteria for maintaining eligibility for the targeted business income tax credit that are reasonably related to the community investment project that is the basis for the business applicant's targeted business income tax credit;
  - (b) the maximum amount of the targeted business income tax credit the business applicant is allowed for the community investment project period;
  - (c) the time period over which the total amount of the targeted business income tax credit may be claimed;
  - (d) the maximum amount of the targeted business income tax credit that the business applicant will be allowed to claim each year; and
  - (e) requirements for a business applicant to report to the local zone administrator specifying:
    - (i) the frequency of the business applicant's reports to the local zone administrator, which shall be made at least quarterly; and
    - (ii) the information needed by the local zone administrator to monitor the business applicant's compliance with this Subsection (4) or Section 63M-1-503 that shall be included in the report.
- (5) In accordance with Subsection (4)(e), a business applicant allowed a targeted business income tax credit under this part shall report to the local zone administrator.
- (6) The amount of a targeted business income tax credit that a business applicant is allowed to claim for a taxable year shall be reduced by 25% for each quarter in which the office or the

local zone administrator determines that the business applicant has failed to comply with a requirement of Subsection (3) or Section 63M-1-503.

- (7) The office or local zone administrator may audit a business applicant to ensure:
  - (a) eligibility for a targeted business income tax credit; or
  - (b) compliance with Subsection (3) or Section 63M-1-503.
- (8) The office shall issue a targeted business income tax credit eligibility form in a form jointly developed by the State Tax Commission and the office no later than 30 days after the last day of the business applicant's taxable year showing:
  - (a) the maximum amount of the targeted business income tax credit that the business applicant is eligible for that taxable year;
  - (b) any reductions in the maximum amount of the targeted business income tax credit because of failure to comply with a requirement of Subsection (3) or Section 63M-1-503;
  - (c) the allocated cap amount that the business applicant may claim for that taxable year; and
  - (d) the actual amount of the targeted business income tax credit that the business applicant may claim for that taxable year.
- (9)
  - (a) A business applicant shall retain the targeted business income tax credit eligibility form provided by the office under this Subsection (9).
  - (b) The State Tax Commission may audit a business applicant to ensure:
    - (i) eligibility for a targeted business income tax credit; or
    - (ii) compliance with Subsection (3) or Section 63M-1-503.